NO. R-10-479

BY: COUNCILMEMBERS HEDGE-MORRELL, GUIDRY, HEAD AND GISLESON PALMER

IN THE MATTER OF ENTERGY NEW ORLEANS, INC. 2010 ELECTRIC AND GAS FORMULA RATE PLAN FILINGS PURSUANT TO COUNCIL RESOLUTION R-09-136 AND THE 2009 AGREEMENT IN PRINCIPLE

AND

APPLICATION OF ENTERGY NEW ORLEANS, INC. TO RECOVER EMISSION ALLOWANCE EXPENSES INCURRED VIA RESULT OF COMPLIANCE WITH THE CLEAN AIR INTERSTATE RULE

AND

IN THE MATTER OF ENTERGY NEW ORLEANS, INC.’S APPLICATION TO IMPLEMENT CERTAIN CORRECTIONS TO ITS PURCHASED GAS ADJUSTMENT CLAUSE RESOLUTION AND ORDER ACCEPTING OFFER OF SETTLEMENT

WHEREAS, pursuant to the Constitution of the State of Louisiana and the Home Rule Charter of the City

of New Orleans ("Charter"), the Council of the City of New Orleans ("Council") is the governmental body

with the power of supervision, regulation and control over public utilities providing service within the

City of New Orleans; and

WHEREAS, the Council is responsible for making all necessary rules and regulations to govern

applications for the fixing or changing of rates and charges of public utilities and all petitions and

complaints relating to any matter pertaining to the regulation of public utilities; and

WHEREAS, Entergy New Orleans (“ENO” or “Company”) provides electric service to all of New

Orleans, except the Fifteenth Ward (“Algiers”), and gas service to all of New Orleans; and

Formula Rate Plans

WHEREAS, on April 2, 2009, the Council adopted Resolution R-09-136, which approved the 2009

Agreement in Principle (“‘09 AIP”) and resolved ENO’s application for a change in electric and gas rates;

and

WHEREAS, pursuant to the ‘09 AIP, beginning with the year 2010 and continuing through 2012, ENO is

to be subject to Formula Rate Plans (“FRPs”) for both Electric (“EFRP”) and Gas (“GFRP”) operations

in the immediately prior calendar year (e.g., the evaluation period for the 2010 filing will be the period

January 1, 2009—December 31, 2009 (“Test Year”)); and

WHEREAS, the ’09 AIP established both the EFRP and GFRP, with the first filing due by ENO on or

before May 31, 2010; and

WHEREAS, with respect to the specific terms of the EFRP, the ’09 AIP ordered that the midpoint Return

on Equity (“ROE”) for the EFRP shall be set at 11.10% with a +/- bandwidth of 0.40%, and ENO has the

ability to earn within the bandwidth of 10.70% to 11.50% for electric operations without any change in

rates; and

WHEREAS, electric earnings above the 11.50% upper bandwidth will result in prospective rate decreases

commencing in the first billing cycle of October in the FRP filing year using the EFRP rider schedule

based upon the midpoint ROE of 11.10% (reset to midpoint); and

WHEREAS, electric earnings below the 10.70% lower bandwidth will result in prospective rate increases

commencing in the first billing cycle of October in the FRP filing year using the EFRP rider schedule

based upon the midpoint ROE of 11.10% (i.e., reset to midpoint); and

WHEREAS, with respect to the specific terms of the GFRP, the midpoint ROE was set at 10.75% with a

+/- bandwidth of 0.50%, and ENO has the ability to earn within the bandwidth of 10.25% to 11.25% for

Gas operations without any change in rates; and

WHEREAS, gas earnings above the 11.25% upper bandwidth will result in rate decreases commencing in

the first billing cycle of October in the FRP filing year using the GFRP rider schedule based upon the

midpoint target ROE of 10.75% (i.e., reset to midpoint); and

WHEREAS, gas earnings below the 10.25% lower bandwidth will result in rate increases commencing in

the first billing cycle of October in the FRP filing year using the GFRP rider based upon the midpoint

target ROE of 10.75% (i.e., reset to midpoint); and

WHEREAS, on May 27, 2010, ENO submitted its 2010 Electric and Gas Formula Rate Plan Filings

pursuant to Council Resolution R-09-136 and the ’09 AIP; and

WHEREAS, ENO requested a decrease in EFRP revenue of $12.859 million and requested an increase in

GFRP revenue of $2.368 million; and

WHEREAS, the Advisors and all Intervenors in Docket UD-08-03 received a copy of each of ENO’s FRP

Filings together with workpapers supporting the data and calculations reflected in these filings; and

WHEREAS, on June 17, 2010, the Council adopted Resolution R-10-274 establishing a procedural

schedule for the consideration of ENO’s FRP application; and

WHEREAS, in Resolution R-10-274, the Council’s directives included establishing: (1) an intervention

period of ten (10) days from the date of the adoption of Resolution R-10-274 for potential intervenors,

noting that all parties that participated in Docket No. UD-08-03 were deemed Intervenors and Parties

for the purpose of reviewing ENO’s FRP Filings, (2) a procedural schedule, and (3) rules governing the

discovery process for ENO’s FRP filings;

WHEREAS, pursuant to Resolution R-10-274 and the FRP Rider Schedules, several of the parties in this

proceeding served numerous discovery requests on ENO including the Advisors, which alone,

propounded more than 150 discovery requests on the Company; and

WHEREAS, on August 16, 2010, the Advisors, submitted reports identifying ENO’s errors in the

application of the principles and procedures contained in the EFRP Rider Schedule and the GFRP Rider

Schedule and proposed regulatory adjustments required to develop just and reasonable rates; and

Clean Air Interstate Rule (“CAIR”)

WHEREAS, in March, 2005, the United States Environmental Protection Agency (“U.S. EPA”) enacted

the Clean Air Interstate Rule (“CAIR”), the objective of which is to reduce emissions of certain precursor

pollutants, nitrogen oxides (“NOx”) and sulfur dioxide (“SO2”) that create ground-level ozone and

particulate environmental issues in downwind states in the eastern United States, including Louisiana;

and

WHEREAS, the U.S. EPA has imposed “cap-and-trade” programs, which require that an entity which

owns an affected unit that exceeds its unit specific allocation of the overall emissions cap to buy

emission allowances from another party, or install controls to reduce those emissions; and

WHEREAS, on April 29, 2010, the Company filed its Application of Entergy New Orleans, Inc. to

Recover Emission Allowance Expenses Incurred Via Result of Compliance with the Clean Air Interstate

Rule (“CAIR Application”); and

WHEREAS, according to its Application, ENO’s CAIR compliance plan calls for the use of a combined

capital/allowance purchase strategy by which the Company has installed cost-effective pollution

controls to partially reduce excess emissions, and has purchased allowances to address any remaining

excess emissions; and

WHEREAS, according to ENO it began purchasing emission allowances in 2008, and the expenses

associated with those purchases were incurred in calendar year 2009, and the expenses associated with

purchases in 2009 are being incurred in calendar year 2010; and

WHEREAS, ENO’S Application is seeking a determination that the costs of emission allowances

expensed for the period January 2009 through October 2010, in complying with CAIR, are reasonable

and recoverable in rates; and

WHEREAS, according to ENO, although the Company has incurred the expenses associated with the

purchase of emission allowances since 2008, those costs have not yet been recovered from customers.

Specifically, during the 2009 calendar year, ENO expensed $1,852,455 of annual NOx emission

allowances and $109,209 of seasonal emission allowances, for a total $1,961,664 in emissions allowance

expenses. The 2010 expenses incurred by the Company for annual emission allowances from January

2010 through March 2010 is $64,168; and

WHEREAS, in its Application, ENO requests approval of an Environmental Adjustment Clause Rider

(“EAC” Rider”) for recovery of emissions expenses incurred in 2010, all prospective CAIR-related costs,

as well as any other fuel–related environmental costs that may arise from future federal or state

legislation; and

WHEREAS, since ENO alternatively proposes that certain of the historical CAIR emissions allowances

costs expensed in calendar year 2009 be recovered via the Company’s ’09 FRP as a pro forma

adjustment, and ENO has included the emissions allowance expenses incurred in 2009 as an operating

expense in its 2010 Electric FRP Filing, the Council believes it appropriate that the Company’s

Application be considered together with its ’09 FRP in Docket No. UD-08-03; and

Purchased Gas Adjustment Clause Corrections

WHEREAS, on May 24, 2010, ENO filed its Application To Implement Certain Corrections To Its

Purchased Gas Adjustment Clause (“PGA Correction Application”); and

WHEREAS, the Council approved the Company’s Rider Schedule PGA-3 that controls ENO’s recovery

of purchased gas costs and is designed to permit a dollar-for-dollar recovery of fuel costs, but is not

designed to allow ENO to earn a profit; and

WHEREAS, the PGA sales rate is adjusted on a monthly basis, and the rate is reflected in the monthly

PGA Filings and supporting workpapers required by Rider Schedule PGA-3; and

WHEREAS, according to ENO, the Rider Schedule PGA-3 provides two separate PGA calculations: one

for ENO’s gas customer served on the Large Municipal (“LM”) rate, and another for all other gas

(“non-LM”) customers. The rider schedule also provides that each of these calculations are the product

of forecasted quantities of gas expected to be purchased during the billing month and gas commodity

cost projections, as defined in the rider schedule; and

WHEREAS, according to ENO, during a recent review of gas accounting data that compared ENO’s filed

non-LM PGA revenues to its “per book” non-LM revenues, the Company found 15 errors that required

correction within the 43-month period from October 2005 to April 2009. A brief description of the

revisions is set forth below:

a. Five months in which incorrect gas volumes were used to calculate PGA revenues;

b. Five months in which the over/(under) balance formula was erroneously repeated without proper

adjustment;

c. Three months in which rounding errors occurred with the PGA sales rate used to calculate revenues;

d. One month in which an incorrect PGA sales rate was used to calculate revenues; and

e. One month in which the beginning balance of the over/(under) account was not correctly updated; and

WHEREAS, according to ENO, the errors listed above have caused ENO to under-recover its prudently

incurred non-LM gas costs by approximately $4.38 million, and the recalculation of interest on the

revisions for the period October 2005 through April 2009 adds approximately $640,000 to the

underrecovery, for a total correction of approximately $5.02 million; and

WHEREAS, in Resolution R-10-323 the Council directed its Advisors to investigate the representations

made by ENO, together with ENO’s request to recover approximately $5.02 million in PGA undercharges

and interest resulting from the errors described in its PGA Correction Application, and file their findings,

with recommendations, to the Council; and

Proposed Agreement In Principle

WHEREAS, subsequent to the Company’s review of the Reports of the Advisors, and, the Company

began a series of meetings intended to explore in good faith any options to resolve discrepancies or

disputes arising from ENO’s Filings and the Reports filed by the Advisors; and

WHEREAS, the Electric and Gas FRP Rider Schedules contemplate that parties attempt to resolve errors

and disputed issues so that they may be reflected in Electric and Gas Rate Adjustments to become

effective for bills rendered on and after the first billing cycle for the following month of October

(“October Rate Adjustments”); and

WHEREAS, the Advisors and ENO were able to reach agreement on some but not all disputed issues and

the Company initiated the October Rate Adjustments, that decreased electric base rates by $16.504

million on an annual basis and increased gas base rates by $2.287 million on an annual basis; and

WHEREAS, after ENO’s implementation of the October Rate Adjustments, the Advisors and ENO

continued efforts to resolve the remaining disputed issues; and

WHEREAS, the Company and the Advisors reached an agreement regarding the remaining disputed

issues that results in additional electric and gas base rate decreases, resolved outstanding issues with

regard to ENO’s CAIR Application and PGA Correction Application; and

WHEREAS, on October 13. 2010, the Company filed with the Council, the Agreement In Principle

(“2010 AIP”) signed by the Company, and Council’s Advisors, recommending that ENO’s electric and

natural gas base rates shall be adjusted from the levels set by the Council in Resolution R-09-136; and

WHEREAS, the Sewerage and Water Board, and Jacobs Technology, Inc., The Folger Coffee Company

(J. M. Smucker) and U. S. Gypsum have expressed their strong support of the proposed settlement; and

WHEREAS, the terms of the proposed Agreement can be summarized as follows:

(1) ENO plans to present and recommend the adoption of this Agreement in Principle toits Board of

Directors. The Council's Advisors plan to present and recommend adoption of this Agreement in

Principle to the City Council. This Agreement in Principle is non-binding, and cannot be implemented

without (a) ENO obtaining approval from its Board of Directors and (b) the Council adopting a Resolution

implementing the terms of this Agreement in Principle.

(2) Prior to the commencement of the first billing cycle of October 2010, the Advisors and ENO agreed

upon adjustments that resulted in electric base rates being decreased by $16.504 million on an annual

basis and gas base rates being increased by $2.287 million on an annual basis effective the first billing

cycle of October 2010.

As a part of that agreement, the Advisors and ENO agreed that $1.962 million of emissions allowance

expenses incurred in 2009 would be recovered through electric base rates. Such recovery is fully

reflected in the above electric base rate decrease.

 (3) Effective the first billing cycle of November 2010, ENO will institute additional black box electric

and gas base rate decreases, which will be made retroactive to the first billing cycle of October 2010.

ENO will reduce electric base rates by an additional $1.496 million for a total electric base rate decrease

in 2010 of $18.000 million on an annual basis. ENO will decrease gas base rates by $2.287 million for a

total gas base rate change for 2010 of $0 (i.e., zero gas base rate change) on an annual basis.

The refunds necessary to make the above base rate changes effective October 2010 shall be made

through additional base rate reductions in November 2010 as described below.

Accordingly, ENO will file a revised Attachment A Electric FRP Rate Adjustments effective the first

billing cycle of November 2010 reflecting a $19.496 million electric base rate reduction on an annual

basis, as shown on Exhibit 1, page 1 of 2. Also, ENO will file a revised Attachment A Electric FRP Rate

Adjustments effective the first billing cycle of December 2010 reflecting the total electric base rate

decrease in 2010 of $18.000 million on an annual basis, as shown on Exhibit 1, page 2 of 2.

Additionally, ENO will file a revised Attachment A Gas FRP Rate Adjustments effective the first billing

cycle of November 2010 reflecting a $2.287 million gas base rate decrease on an annual basis, as shown

on Exhibit 2, page 1 of 2. Also, ENO will file a revised Attachment A Gas FRP Rate Adjustments

effective the first billing cycle of December 2010 reflecting the total gas base rate decrease in 2010 of $0

on an annual basis, as shown on Exhibit 2, page 2 of 2.

The above total electric and gas base rate changes for 2010 effective December 2010 shall be annualized

in the 2011 Electric and Gas FRP Filings based on the 2010 Evaluation Period as provided in Adjustment

1 in Attachment C to the Electric and Gas FRP Rider Schedules.

(4) Commencing with the 2011 Electric and Gas FRP Filings based on the 2010 Evaluation Period and

for any succeeding FRP test year used for ratemaking purposes, ENO shall exclude from any electric and

gas test year revenue requirements the following incentive compensation expenses from electric and

gas operation and maintenance expense:

a. Estimated actuarially valued stock option grant awards and estimated exercise gains on post-2002

stock options for Management Levels 1 through 4 and estimated exercise gains on pre-2003 stock

options for Management Levels 1 through 6;

b. the Long Term Incentive Plan;

c. the Equity Awards Plan; and

d. the Restricted Share Awards Plan.

Any resolution adopting this agreement in principle shall specifically set forth this provision in its ordering paragraphs.

(5) Within five business days of the adoption of this settlement term sheet by the Council, ENO will file

a motion to withdraw its Application to Implement Certain Corrections to its Purchased Gas Adjustment

(“PGA”) Clause filed on May 24, 2010 with prejudice. For the period of October 1, 2005 through April

30, 2009, no party or the Council shall seek any further adjustment/correction of the amounts sought

and/or recovered through ENO’s PGA filings to the extent that such adjustment is based, in whole or in

part, on errors and/or omissions of ENO.

(6) ENO shall recognize a gas operations regulatory asset of $3.0 million (“Gas Regulatory Asset”) to be

recovered over a period of thirty-six (36) months commencing January 1, 2010. The Gas Regulatory

Asset shall be recovered through gas base rates outside of the Gas FRP deadband set forth in §II.C.2 of

the Gas FRP Rider Schedule. For ratemaking purposes in the Gas FRP, the initial credit resulting from the

recording of the Gas Regulatory Asset shall not be included in the determination of net utility operating

income for the 2010 Evaluation Period, and a separate revenue requirement will be calculated for the

Gas Regulatory Asset, as shown in Exhibit 3. Such treatment shall have no precedential value insofar as it

applies to the recording of any future regulatory asset for ratemaking purposes.

(7) The Advisors and ENO hereby agree that the miscellaneous electric tariff changes filed with the 2010

Electric and Gas FRP Filings shall be approved and implemented as of the first billing cycle of November

2010. Such tariff changes are included in Exhibit 4. Specifically, the following rate schedules are

approved: Rider Schedule DTK-2 Datalink Web-based Access to Interval Load Data Rider, Rider

Schedule RCL-1 Remote Communications Link Rider, Schedule MES-4 Miscellaneous Electric Services,

Schedule MB-4 Municipal Building Light & Power Service, Schedule EOES-1 Extension of Electric

Service Policy, and Schedule EOGS-1 Extension of Gas Service Policy.

(8) The headings, numbers, and letters to the respective sections, parts, and paragraphs of this

Agreement in Principle are inserted for convenience and are neither to be taken to be any part of the

provisions of this Agreement in Principle nor to control or affect the meaning, construction, or effect of

the same.

(9) This Agreement in Principle reflects a compromise, settlement and accommodation among the

signatories and the terms and conditions herein are interdependent. All actions by the signatories

contemplated or required by this Agreement in Principle are conditioned upon the entry of the Council

of a Resolution consistent with the terms of this Agreement in Principle.

(10) Nothing contained in this Agreement shall be precedential with respect to any issue in any other

proceeding, except other FRP proceedings during the term of this FRP or except as specifically stated

herein or as specifically stated in any of the Exhibits submitted as part of this Agreement.

WHEREAS, on October 11, 2010, the Company’s Board of Directors approved and authorized execution

of the Agreement in Principle; and

WHEREAS, on the basis of the record before the Council and the unanimous support of the active

Intervenors in the FRP process for acceptance of the Agreement In Principle; now, therefore:

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS THAT:

The Agreement In Principle that was submitted by ENO on October 13, 2010 and supported by the

Council’s Advisors, Sewerage and Water Board, and Jacobs Technology, Inc., The Folger Coffee

Company (J. M. Smucker) and U. S. Gypsum, is determined on the basis of the record before us to be

just, reasonable, and in the public interest. Accordingly, the Agreement In Principle is accepted without

modification. Acceptance of the Agreement In Principle is determined to be reasonable and in the public

interest for the following reasons, at a minimum.

First, approving the Agreement in Principle allows the Council to reduce the electric rates for Entergy

New Orleans ratepayer by $18.0 million annually, reduce typical residential bills by approximately 7%,

eliminates the proposed gas base rate increase of approximately 6.4%, and maintains the financial

condition of the Company.

Second, the Agreement also provides for ENO’s recovery of $1.962 million of emissions allowance

expenses incurred in 2009 through electric base rates that were to comply with federal law.

Third, the Agreement also provides for ENO’s filing of a motion to withdraw its Application to Implement

Certain Corrections To Its Purchased Gas Adjustment (“PGA”) Clause filed on May 24, 2010 with

prejudice which resolves this matter completely and avoids the potential recovery of approximately

$5.02 million from gas ratepayers.

Fourth, the electric and gas formula rate plans have provided us with the opportunity to resolve three

(3) important matters without the significant time and expense of a fully litigated proceedings.

Fifth, there is no opposition to the Agreement In Principle from any of the Intervenors.

For the foregoing reasons, the Agreement In Principle is APPROVED.

BE IT FURTHER RESOLVED that Rider Schedule DTK-2 Datalink Web-based Access to Interval Load

Data Rider, Rider Schedule RCL-1 Remote Communications Link Rider, Schedule MES-4 Miscellaneous

Electric Services, Schedule MB-4 Municipal Building Light & Power Service, Schedule EOES-1

Extension of Electric Service Policy, and Schedule EOGS-1 Extension of Gas Service Policy rate

schedules are approved and shall become effective with the first billing cycle of November 2010.

BE IT FURTHER RESOLVED that the Council concurs with the decrease in electric base rates by

$16.504 million on an annual basis as implemented by the Company commencing with the first billing

cycle of October 2010, subject to the offsetting adjustments to electric base rates on an annual basis in

November 2010 and December 2010 as set forth in the Agreement in Principle and as directed below.

BE IT FURTHER RESOLVED that the Council concurs with the increase of gas base rates by $2.287

million on an annual basis effective the first billing cycle of October 2010, subject to the offsetting

adjustments to gas base rates on an annual basis in November 2010 and December 2010 as set forth in

the Agreement in Principle and as directed below.

BE IT ORDERED BY THE COUNCIL OF THE CITY OF NEW ORLEANS THAT:

1. Effective the first billing cycle of November 2010, the Company shall institute additional black box

electric and gas base rate decreases, which shall be made retroactive to the first billing cycle of October

2010. ENO shall reduce electric base rates by an additional $1.496 million for a total electric base rate

decrease in 2010 of $18.000 million on an annual basis and shall decrease gas base rates by $2.287

million for a total gas base rate change for 2010 of $0 (i.e., zero gas base rate change) on an annual

basis.

2. ENO shall file a revised Attachment A Electric FRP Rate Adjustments effective the first billing cycle

of November 2010 reflecting a $19.496 million electric base rate reduction on an annual basis. ENO shall

file a revised Attachment A Electric FRP Rate Adjustments effective the first billing cycle of December

2010 reflecting the total electric base rate decrease in 2010 of $18.000 million on an annual basis.

3. ENO shall file a revised Attachment A Gas FRP Rate Adjustments effective the first billing cycle of

November 2010 reflecting a $2.287 million gas base rate decrease on an annual basis. ENO shall file a

revised Attachment A Gas FRP Rate Adjustments effective the first billing cycle of December 2010

reflecting the total gas base rate decrease in 2010 of $0 on an annual basis.

4. ENO shall the annualize the above total electric and gas base rate changes for 2010 effective

December 2010 in the 2011 Electric and Gas FRP Filings based on the 2010 Evaluation Period as

provided in Adjustment 1 in Attachment C to the Electric and Gas FRP Rider Schedules.

5. Commencing with the 2011 Electric and Gas FRP Filings based on the 2010 Evaluation Period and for

any succeeding FRP test year used for ratemaking purposes, ENO shall exclude from any electric and gas

test year revenue requirements the following incentive compensation expenses from electric and gas

operation and maintenance expense: (a) estimated actuarially valued stock option grant awards and

estimated exercise gains on post-2002 stock options for Management Levels 1 through 4 and estimated

exercise gains on pre-2003 stock options for Management Levels 1 through 6; (b) the Long Term

Incentive Plan; (c) the Equity Awards Plan; and (d) the Restricted Share Awards Plan.

6. Within five business days of the adoption of this resolution, ENO shall file a motion to withdraw its

Application to Implement Certain Corrections to its Purchased Gas Adjustment (“PGA”) Clause filed on

May 24, 2010 with prejudice. For the period of October 1, 2005 through April 30, 2009, no party or the

Council shall seek any further adjustment/correction of the amounts sought and/or recovered through

ENO’s PGA filings to the extent that such adjustment is based, in whole or in part, on errors and/or

omissions of ENO.

7. The Company shall recognize a gas operations regulatory asset of $3.0 million (“Gas Regulatory

Asset”) to be recovered over a period of thirty-six (36) months commencing January 1, 2010. The Gas

Regulatory Asset shall be recovered through gas base rates outside of the Gas FRP deadband set forth in

§II.C.2 of the Gas FRP Rider Schedule. For ratemaking purposes in the Gas FRP, the initial credit

resulting from the recording of the Gas Regulatory Asset shall not be included in the determination of

net utility operating income for the 2010 Evaluation Period, and a separate revenue requirement will be

calculated for the Gas Regulatory Asset. Such treatment shall have no precedential value insofar as it

applies to the recording of any future regulatory asset for ratemaking purposes.

8. The company is directed to make a filing in Docket UD-10-2 providing details of its internal control

procedures, accounting treatment, and revenue reconciliation procedures in respect to its PGA which

are implemented to minimize potential errors in future PGA calculations and filings. Such procedures

may be subject to further audit by the Council. Furthermore, such filing shall also propose periodic

reports to the Council of Gas accounts and financial statements to facilitate monitoring of PGA filings

and potential errors.

9. ENO is permitted to recover, through electric base rates, the $1.962 million of emissions allowance

costs expensed in 2009 in complying with CAIR. Such recovery is fully reflected in the above electric

base rate decrease. With respect to the Proposed EAC Rider and the emission allowance costs related to

compliance with CAIR which are expensed in 2010 and subsequent years, the Council will address these

costs and ENO’s proposed EAC Rider in Council Sub-Docket No. UD-08-03-A upon review of the

comments submitted by the Council’s Advisors and the Company.

THE FOREGOING RESOLUTION WAS READ IN FULL, THE ROLL WAS CALLED ON THE

ADOPTION THEREOF AND RESULTED AS FOLLOWS:

YEAS: Clarkson, Fielkow, Gisleson Palmer, Guidry, Head,

Hedge-Morrell - 6

NAYS: 0

ABSENT: Johnson - 1

AND THE RESOLUTION WAS ADOPTED.